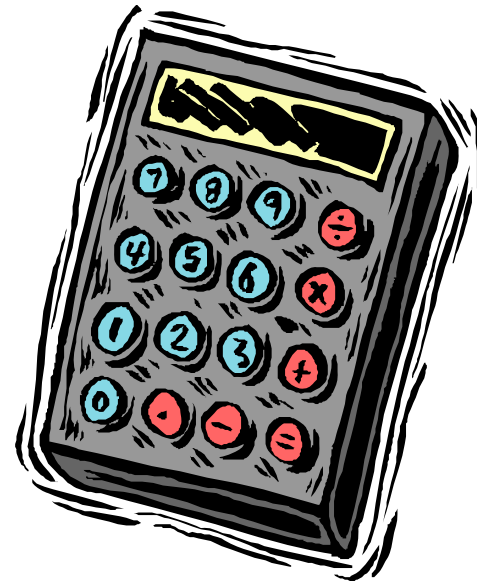


# Welcome to CACFP Business Track Training

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## Application and Record Keeping



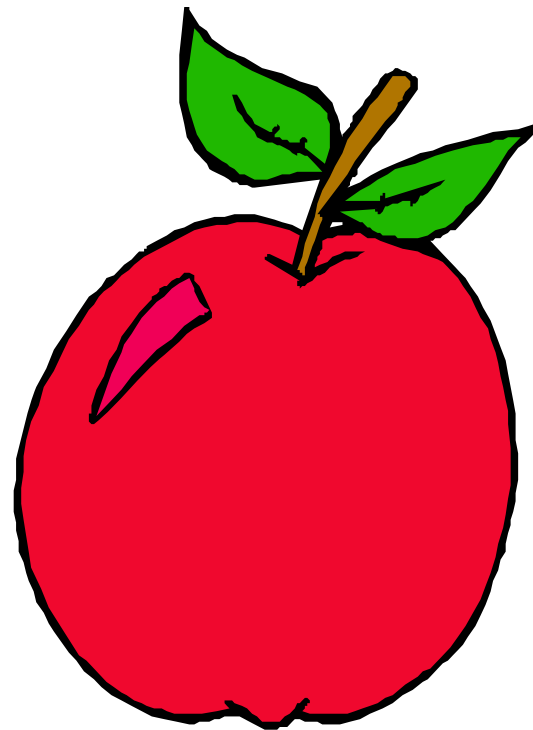
Arizona Department of Education

# Welcome

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## Housekeeping

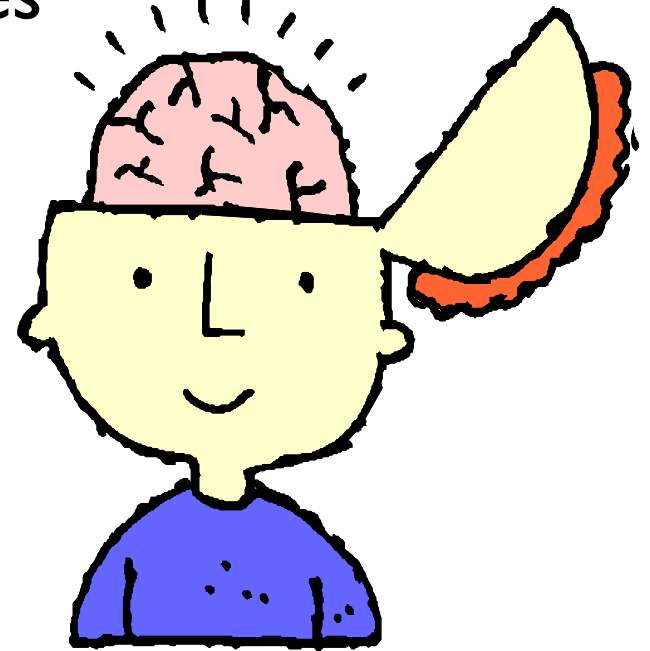
- Parking
- Breaks
- Restrooms
- Food/vending
- Cell phones
- Ice Breaker



# Objectives

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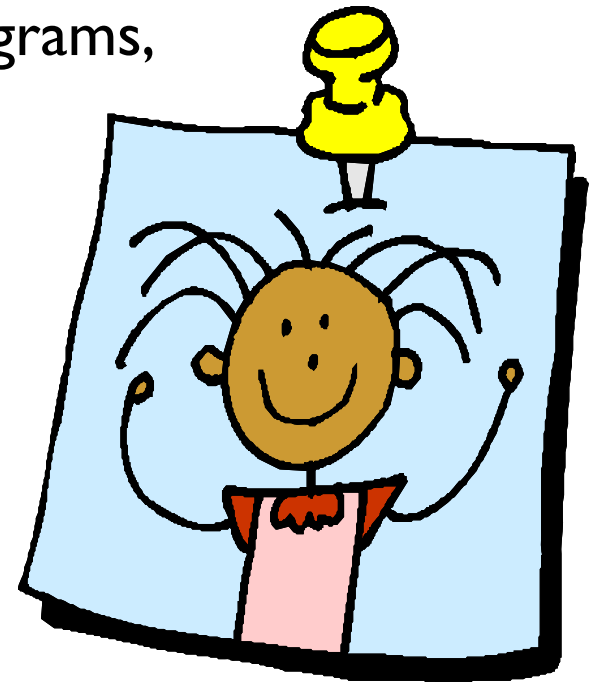
- ❑ to understand the responsibilities associated with participation
- ❑ to understand record keeping requirements
- ❑ to become familiar with USDA/CACFP regulations



# What is the CACFP?

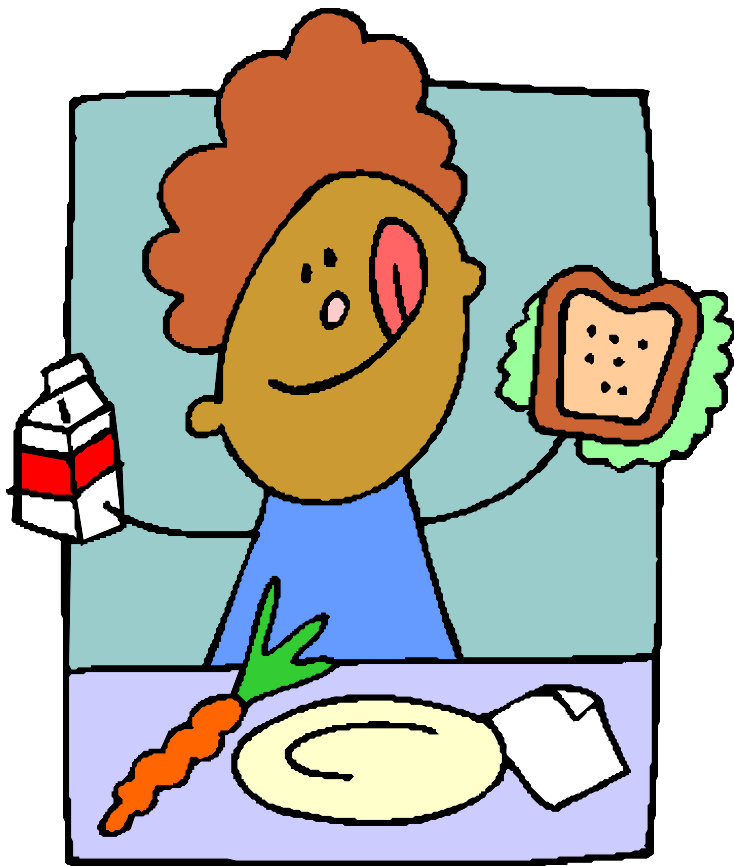
---

- ❑ provides reimbursement for nutritious meals served in Child and Adult Care Centers and Homes
- ❑ administered at the Federal level by U.S. Dept. of Agriculture and directly administered by the Arizona Dept. of Education, Child Nutrition Programs, and Health and Nutrition Services
- ❑ \$1.9 billion program
- ❑ approx. 2.6 million children and 58,000 adults served daily



# Goal of the CACFP

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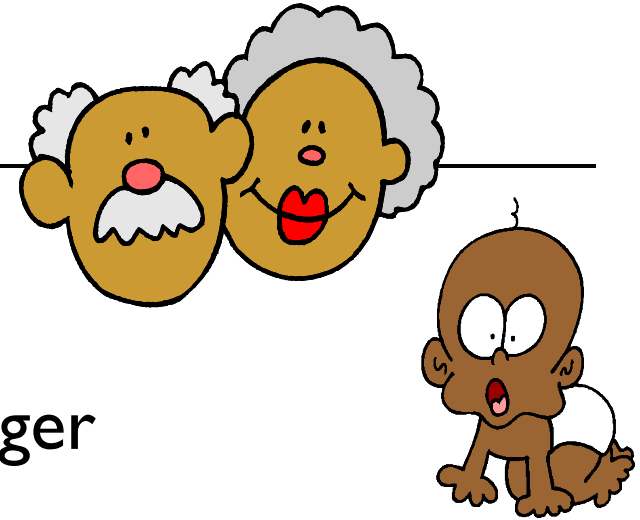


...helping to  
improve and maintain  
the **health** and  
**nutritional status**  
of children and adults  
in care while promoting  
the development of  
good eating habits

# Who may Participate?

---

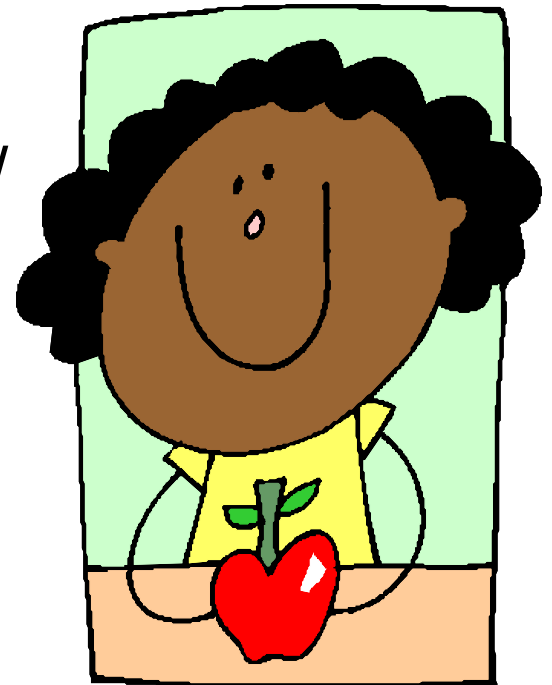
- ❑ children age 12 and younger
- ❑ migrant children age 15 and younger
- ❑ youth through age 18 in after school programs in low-income areas
- ❑ adult participants who are functionally-impaired or age 60 or older and enrolled in an adult day care center



# Who may Apply ?

---

- ❑ Child Care Centers/Preschools/Head Start Programs
- ❑ Emergency Shelters
- ❑ At-Risk After School Snack Programs/  
Outside School Hours Programs
- ❑ Adult Day Care Centers



# Child Care Centers/Preschools

---

## Criteria:

- ❑ licensed or approved
- ❑ private or public
- ❑ profit or non-profit
- ❑ non-residential





# Head Start Programs

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## Criteria:

- ❑ private or public
- ❑ non-residential
- ❑ licensed by DHS

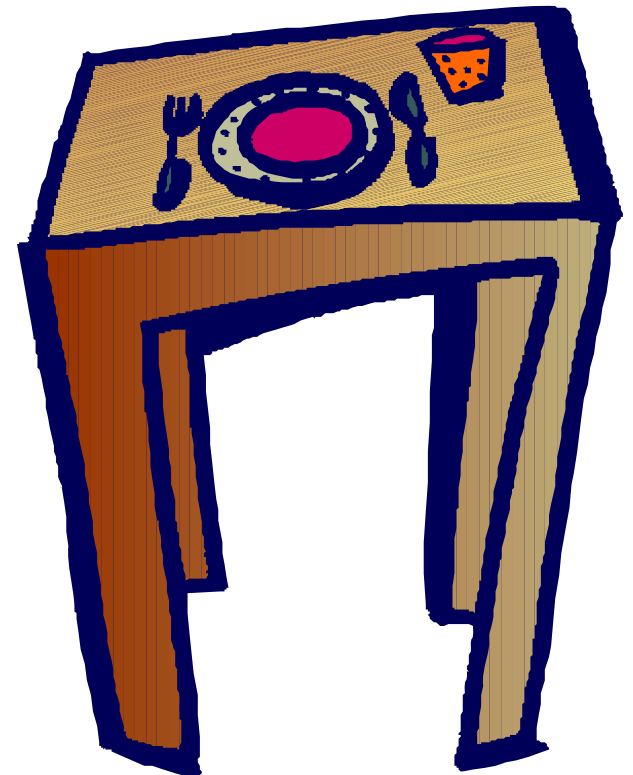


# Emergency Shelters

---

## Criteria:

- ❑ private or public
- ❑ non-profit
- ❑ provide temporary shelter to children age 18 and parents/guardians
- ❑ operate a congregate meal service
- ❑ meet applicable State and local health, safety, and sanitation standards



# At-Risk After School Snack Programs

---

## Criteria:

- ❑ private or public
- ❑ regularly scheduled activities to children age 18 and younger in organized and supervised environment
- ❑ include educational or enrichment activities
- ❑ area-eligible
  - located within the attendance area of school in which 50% or more children enrolled are eligible for free or reduced-price school meals
- ❑ meet State and local health and safety standards
- ❑ if child turns age 19 during school year, that child may be claimed for remainder of school year

# Outside School Hours Programs

---

## Criteria:

- ❑ private or public
- ❑ provide organized child care services outside school services to enrolled school-age children age 12 and younger
- ❑ licensed by DHS **or** demonstrate compliance with applicable State or local child care standards to ADE
- ❑ may not operate under CACFP on weekends

# Adult Day Care Centers

---

## Criteria:

- ❑ private or public
- ❑ non-residential
- ❑ for-profit or non-profit
- ❑ provide day care services to functionally impaired adults or individuals age 60 or older
- ❑ licensed or approved



# Profit & Non-profit

---

## ▣ For-profit (proprietary)

- non-residential
- licensed by DHS

**OR**

demonstrate compliance with applicable State or local child care standards to ADE

- receive compensation under Title XX and/or Title XIX of the Social Security Act for at least 25% of total enrollment or license capacity, whichever is less

**OR**

at least 25% total enrollment qualify for Free and/or Reduced meals

## ▣ Non-profit

- non-residential
- tax-exempt status under IRS Code Section 501(c)(3)
- licensed by DHS

**or**

demonstrate compliance with applicable State or local child care standards to ADE



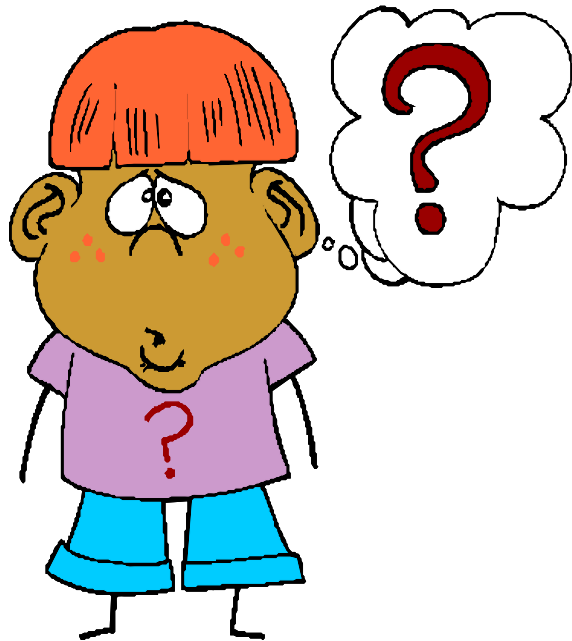
# VCA

---

Institutions participating in the CACFP, must be financially viable, administratively capable, and have internal controls in place that will ensure program accountability.

# Getting started...

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Income Affidavits  
and  
Enrollment



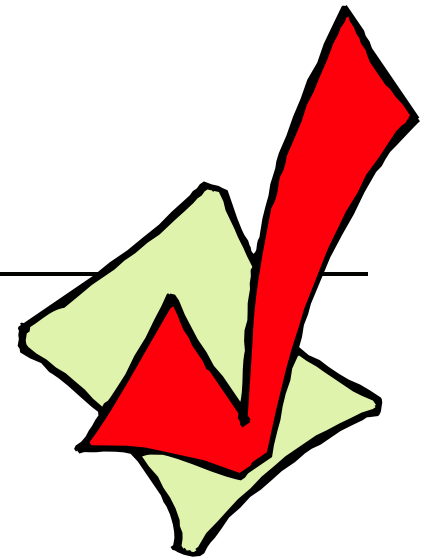
# Distribute & Collect Income Affidavits

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- ❑ Distribute an income affidavit for every enrolled participant.
  - current fiscal year
    - ❑ anyone enrolling after July 1 receives new fiscal year form
  - update each year during “collection period”
    - ❑ September 1<sup>st</sup> - September 23<sup>rd</sup>
    - ❑ any deviation from this period needs written state approval
- ❑ Remember that it is ***voluntary*** for parents/guardians to provide income information.

# Review for Completeness

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- ❑ child's name, age, and birthdate
- ❑ case numbers
  - 7 digits or less
  - may be preceded by zeros (533351 or 00533351)
- ❑ household income
- ❑ signer information
  - signature & date
    - ❑ dated no earlier than 30 days prior to start of fiscal year
  - Social Security Number (or the word "none")
- ❑ If any changes made to sections 1-5, signer must initial.
- ❑ Parent letter must be included on back.

# Categorize

---

- ❑ Participants categorized as **Free, Reduced, or Paid.**
- ❑ Use USDA Child Nutrition Program Income Guidelines for current fiscal year.
- ❑ Participants with incomplete income affidavits categorized as Paid.



# Eligibility - 2 types

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## □ Income Eligibility

- Complete sections 1, 3, 5 and child(ren) categorized according to total household income as Free, Reduced, or Paid.

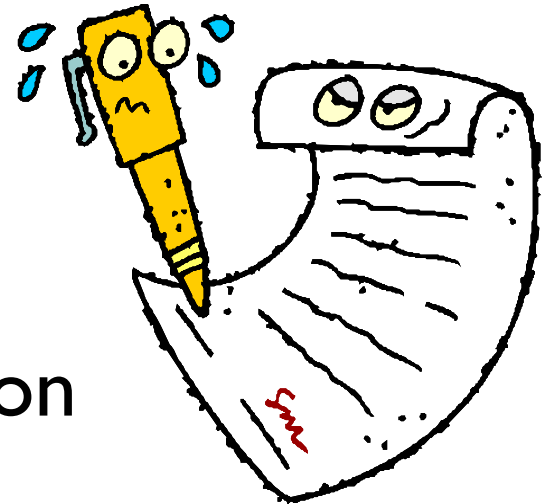
## □ Categorical Eligibility

- Complete sections 2, 5 and child(ren) **automatically** categorized as Free.
  - Food Stamps
  - Cash Assistance
  - Food Distribution Program on Indian Reservation (FDPIR)

# Approve & Sign

---

- ❑ Sponsor must sign and date each income affidavit.
  - date must be same month as parent signature
- ❑ During a review, if any information in the Staff Approval section is incomplete, the affidavit will be recategorized as Paid.



# Income Affidavit Exceptions:

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- ❑ Foster Children
- ❑ Head Start Children
- ❑ Adult Day Care Participants



# Foster Children

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- ❑ Adult household member completes sections 4 & 5.
- ❑ If family has foster children and natural children, separate income affidavits should be completed.

# Head Start Children

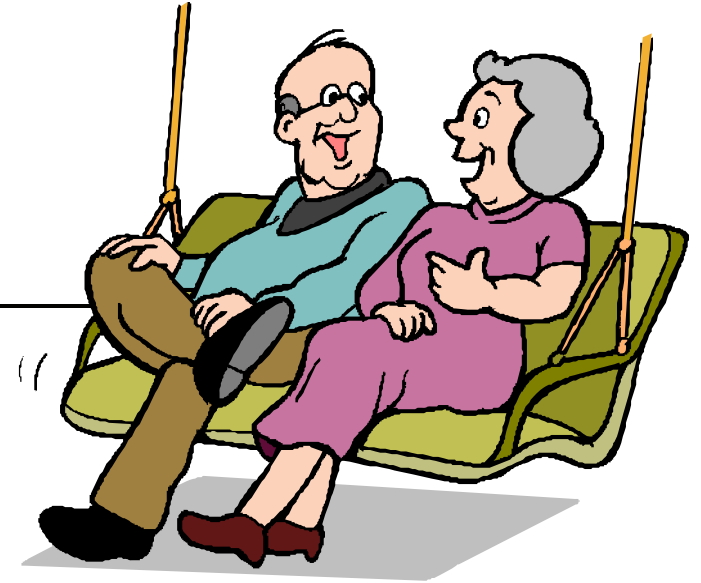
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- ❑ If application contains all required information, it may be used in place of income affidavit.
  - must be reviewed & signed by Head Start determining official
- ❑ Children who are income-eligible for Head Start are categorized as Free.
- ❑ Children who qualify for Head Start based on other factors (i.e. certified disabilities) are categorized according to income eligibility.



# Adult Day Care Centers

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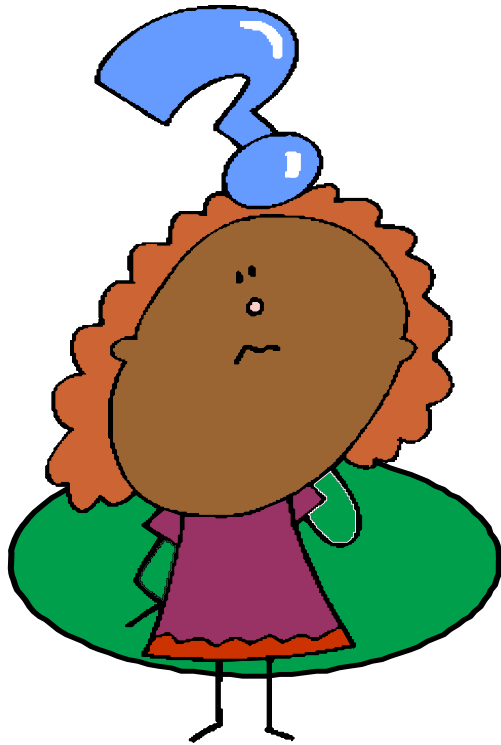


- ❑ Categorically eligible if receive:
  - Food Stamps
  - SSI
  - Medicaid
  
- ❑ Participant, parent, or guardian must complete adult income affidavit.
  - If unable to do so, the center may complete it on behalf of enrollee.

# Enrollment Information

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- ❑ Documentation of the enrollment of each participant must be updated, signed, and dated annually by a parent or legal guardian.
  - one idea is to distribute along with income affidavits during annual collection period
- ❑ During a review, CACFP Specialists will randomly select a percentage of blue cards to evaluate.



# Claiming Percentage Rosters

# Claiming Percentage Rosters

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- ❑ Used to track number of eligible participants in each category.
  - use separate roster for Free, Reduced, and Paid
  - track on a monthly basis
- ❑ A participant in attendance at **any time** during the claiming month must be listed on correct roster.
  - participant with no income affidavit categorized Paid

# Claiming Percentage Rosters

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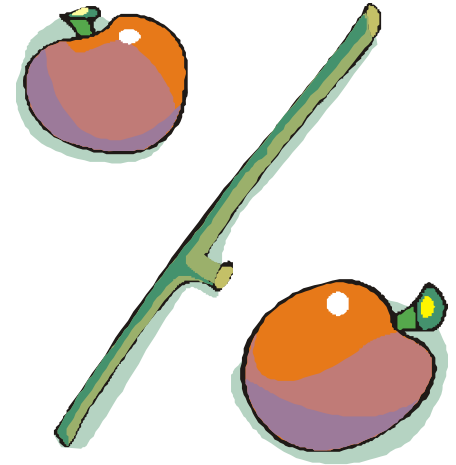
- ❑ Attendance must be verified for each claim month.
  - name on sign-in sheets must match income affidavit
  
- ❑ Make monthly adjustments to Free, Reduced, and Paid categories as participants enroll or leave.
  - must be supported by sign-in/sign-out records

[illegible]

# Claiming Percentage

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- ❑ based on monthly enrollment
- ❑ reflects economic population served
- ❑ determines reimbursement amount



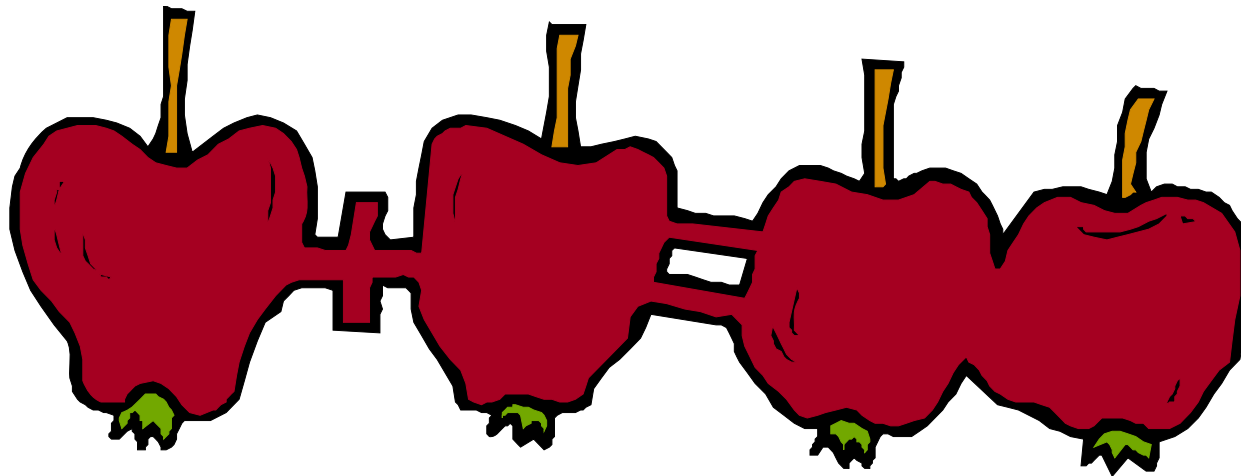
For example...

- 10% of children in attendance for claim month are categorized as “Free”
- 10% of meals served will be reimbursed at Free rate

# Activity I

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## Claiming Percentage Rosters





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# Monthly Record Keeping Requirements





# Monthly Record-Keeping

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- ☐ Title XIX/XX documentation (if for-profit)
- ☐ Sign-in/Sign-out Records
- ☐ Daily Meal Count Sheet
- ☐ Weekly Attendance Meal Record
- ☐ Menus
- ☐ Infant Feeding Preference Letter (if applicable)

# More Monthly Record-Keeping

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- ☐ Daily Meal Production Record for Infants (if applicable)
- ☐ Production Worksheets
- ☐ Food Service Cost Report
- ☐ CACFP Expense Worksheet
- ☐ Time Distribution Reports
- ☐ Sponsor Claim - online
- ☐ Site Claim - online



# Title XIX/XX Documentation

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- ❑ For-profits must serve at least 25% Title XIX/XX beneficiaries or 25% Free/Reduced during claim month.
- ❑ Report this each month on the online Site Claim.
  - If 25% is not met, access to claiming meals will be denied.



# Sign-in/Sign-out Records

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## ❑ Sign-in/Sign-out sheets

- Parent must sign child(ren) in and out.
- Adult participants must sign themselves in and out or may be assisted by staff.

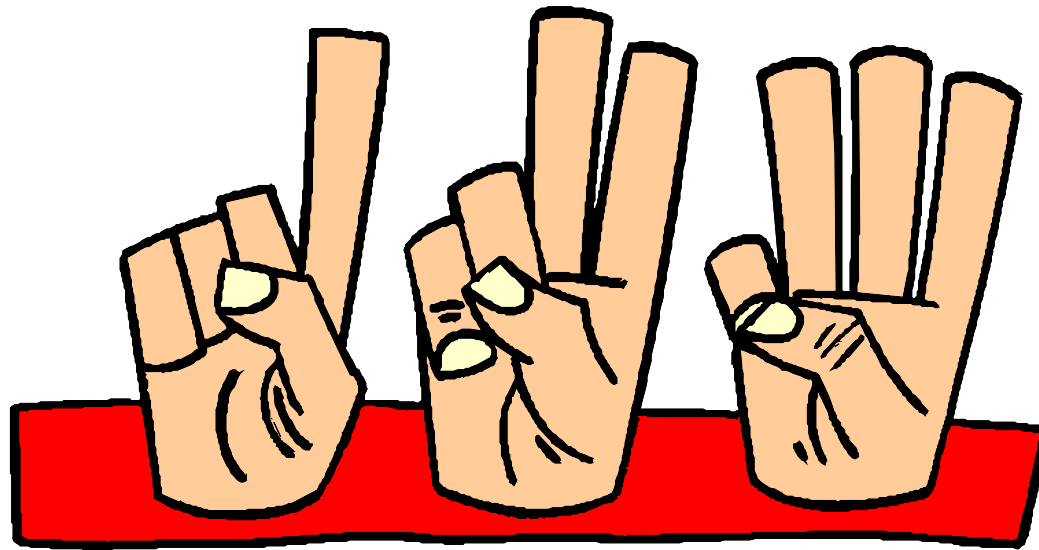
## ❑ Automated Sign-in/Sign-out System

- Parent uses computer at center to check child(ren) in and out.
- Printouts of attendance must be signed or initialed by parent.
- Computer generated agreement must be on file.

# Meal Counts

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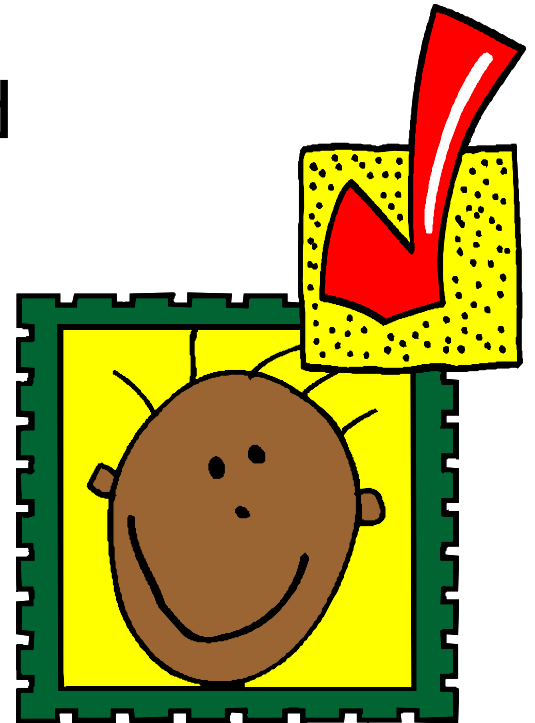
- ❑ Meal counts must be done at **point of service**.
  - while children are eating
  - NOT determined by attendance



# Daily Meal Count Sheet & Weekly Attendance Meal Record

---

- Daily Meal Count Sheet
  - added totals from all classrooms
  
- Weekly Attendance Meal Record
  - tracks children individually
  - verifies no more than 2 meals and 1 snack claimed per child



# Daily Meal Count Sheet

No. of Meals Served to Enrolled Children

No. of Meals Served to Adults

Date	Breakfast	A.M. Snack	Lunch	P.M. Snack	At-Risk Snack	Supper	Nite Snack	Breakfast	A.M. Snack	Lunch	P.M. Snack	At-Risk Snack	Supper	Nite Snack
3/01	28	16	31					3	2	3				
3/02	25	18	35					4	2	4				
3/03	22	16	35					4	2	4				
3/04	29	16	31					4	2	3				
3/05	31	18	30					3	2	3				
3/08	25	15	32					4	2	3				
3/09	25	16	33					4	2	3				
3/10	27	16	33					4	2	4				
3/11	25	15	35					4	2	4				
3/12	24	17	31					4	2	4				
Subtotal	261	163	326											
Infant Total	40	38	41											
Total	301	201	568					38	20	35				



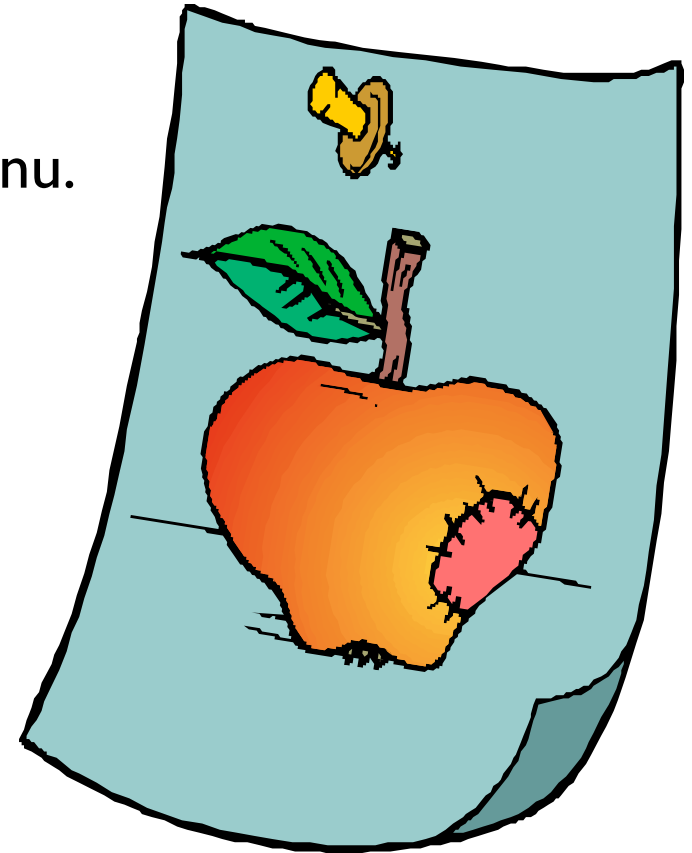
# Weekly Attendance Meal Record

NAME	MONDAY						TUESDAY						WEDNESDAY						THURSDAY			
	BREAKFAST	AM SNACK	LUNCH	PM SNACK	DINNER	NITE SNACK	BREAKFAST	AM SNACK	LUNCH	PM SNACK	DINNER	NITE SNACK	BREAKFAST	AM SNACK	LUNCH	PM SNACK	DINNER	NITE SNACK	BREAKFAST	AM SNACK	LUNCH	PM SNACK
Jake	x	x	x				x	x	x				x	x					x	x		
Maddie			x	x					x	x					x	x					x	x
Carrie	x	x	x	/			x	x	x	/			x	x	x	/			x	x	x	/
Michael		x	x	x				x	x	x				x	x	x				x	x	x
Tyson	x	x	x	/			x	x	x	/			x	x	x	/			x	x	x	/
Totals	3	4	5	2			3	4	5	2			3	4	4	2			3	4	4	2

# Menus

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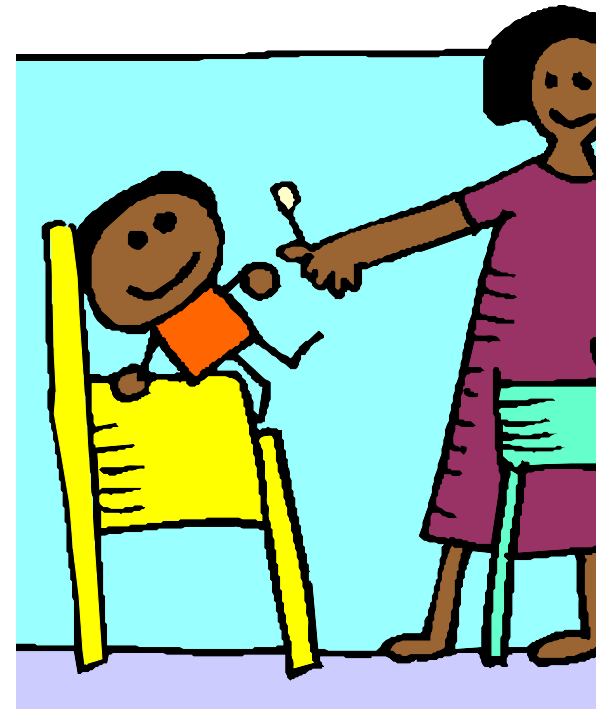
- ❑ Posted where parents/guardians can view.
- ❑ All components clearly listed.
  - If substitution, mark on existing menu.
- ❑ Keep on file with monthly CACFP records.



# Daily Meal Production Record for Infants

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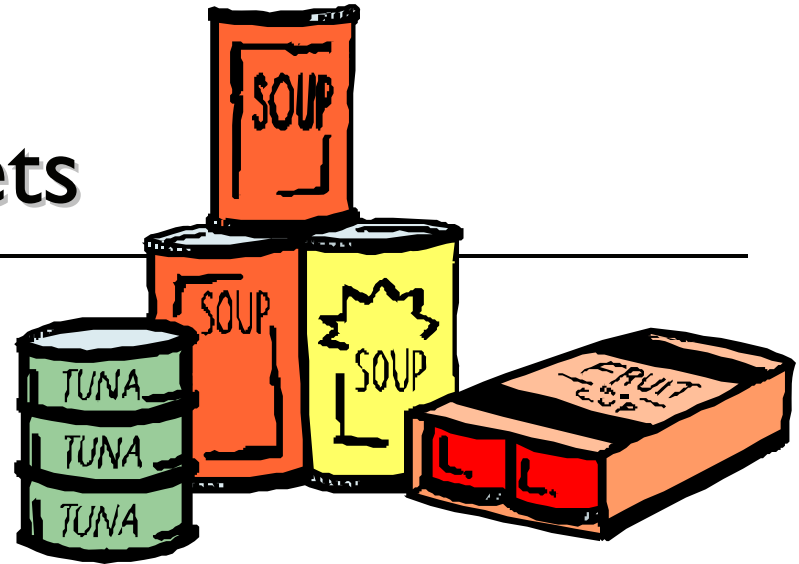
- ❑ Child care centers must offer program meals to ALL eligible children, including infants.
- ❑ Infant Feeding Preference Letter
  - must be completed for each infant
- ❑ Daily Meal Production Records
  - List amount of each required component offered.
  - Add up meals to be claimed and transfer to Daily Meal Count Sheet.



# Production Worksheets

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- ❑ assist in meal planning and preparation
- ❑ document amount of food prepared
- ❑ should be done at least 2 weeks in advance
- ❑ Mandatory.
  - May become optional after successful program review.



# Reporting Costs

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- ❑ Costs are not reimbursable.
  - verify non-profit food service
  - verify financial viability
- ❑ Monthly documentation.
- ❑ Use FNS 796-2 Rev. 3 to determine reportable costs.
  - ❑ Food Service Costs
  - ❑ Labor Expenses
  - ❑ Facility Expenses



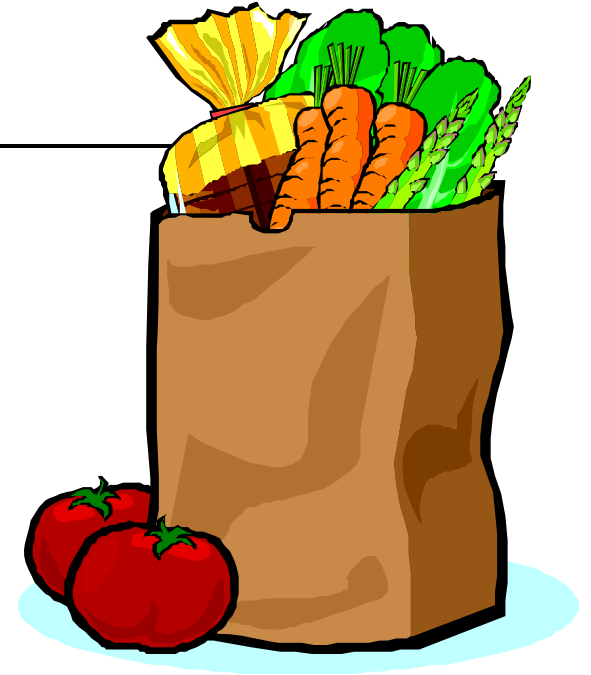
# Food Service Costs

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- Use Food Service Cost Report.

- complete monthly
- file with receipts, invoices

- **At least 50%** of CACFP reimbursement MUST be used for quality food purchases.



# Food Service Cost Report

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Date	Invoice Number	Supplier	Total Invoice	Food/ Milk	CACFP Supplies	Non CACFP Supplies	Tax
			\$	\$	\$	\$	\$
10/08/05	100	Safeway	215.92	162.40	13.65	22.60	17.27
10/13/05	101	Sysco	96.47	96.47	0	0	0
10/22/05	102	Fry's	28.63	24.34	0	2.00	2.29

**TOTAL**    \$ 283.21    \$ 13.65

# Activity II

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## Food Service Costs





# Labor Expenses

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- ❑ Maintain a written compensation policy for each position.
- ❑ Maintain daily time distribution reports.



# Time Distribution Report

Employee Name <b>Delilah Rockbottom</b>	Position <b>Teacher</b>	Normal Work Hours <b>7am-4pm</b>	Month/Year <b>OCT/05</b>
---	-------------------------	----------------------------------	--------------------------

WORK HOURS		FOOD SERVICE ADMINISTRATION TASKS			FOOD SERVICE OPERATIONS TASKS							
Day	Start	End	A. Manag ing	B. Plann ing	C. Organi zing	D. Menu Planni ng	E. Meal Prep/ Serve	F. Meal Clean-Up	G. Super vise Meal	H. Meal Recor ds	I. Non Food Service	J. Total Hours
1	7:00 am	4:00 pm						0.5	2.0	0.5	5.0	8.0
2	7:00 am	4:30 pm						1.0	2.0	0.5	5.0	8.5
Monthly Totals								1.5	4.0	1.0	10.0	16.5

Total Food Service Hours <b>6.5</b>	Total Non-food Service Hours <b>10.0</b>	Total Hours Worked <b>16.5</b>
-------------------------------------	--	--------------------------------

# CACFP EXPENSE WORKSHEET

Sponsoring Organization \_\_\_\_\_

Site \_\_\_\_\_

Month/Year \_\_\_\_\_

## LABOR EXPENSES

## BENEFITS

A	B	C	D	E	F
POSITION	TOTAL FOOD SERVICE HOURS PER MONTH  (FROM TIME DISTRIBUTION REPORT)	SALARY PER HOUR	GROSS PAY  (B X C)	PERCENT OF TIME SPENT ON CACFP TASKS THIS MONTH  TOTAL B ÷ MONTHLY HOURS	CACFP PORTION OF BENEFITS  TOTAL E X BENEFITS PAID TO EMPLOYEE
Director	90	\$15	\$1350	$90 \div 160 = 0.56$	
Teacher	60	\$8	\$ 480	$60 \div 160 = 0.38$	
Cook	160	\$10	\$1600	$160 \div 160 = 1$	

TOTAL: \$ 3430

SALARIES

BENEFITS

# Facility Expenses

---

- ❑ Based on square foot percentage attributed to CACFP
  - measure kitchen and food service area
  - if multi-purpose room, measure only square footage of table tops
- ❑ Communication & Utilities
- ❑ Rent or Mortgage
- ❑ Contracted Services
  - pest control
  - refrigerator repairs
- ❑ File all supportive documents
  - Billing statements, receipts



# CACFP EXPENSE WORKSHEET

## FACILITY EXPENSES

---

**SQUARE FOOTAGE OF CACFP SERVICE AREA ÷ TOTAL SQUARE FOOTAGE OF FACILITY = PERCENTAGE ATTRIBUTED TO CACFP**

$$\underline{600 \text{ Sq. Ft}} \div \underline{2,400 \text{ Sq. Ft}} = \underline{0.25}$$

A	B	C	D
SERVICE	BILLED AMOUNT	PERCENTAGE ATTRIBUTED TO CACFP	TOTAL (B x C)
COMMUNICATION AND UTILITIES	\$500	0.25	\$125
RENT OR MORTGAGE	\$3000	0.25	\$750
CONTRACTED SERVICES	\$100	0.25	\$25

# Activity III

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Facility Expenses



# Submitting Claims

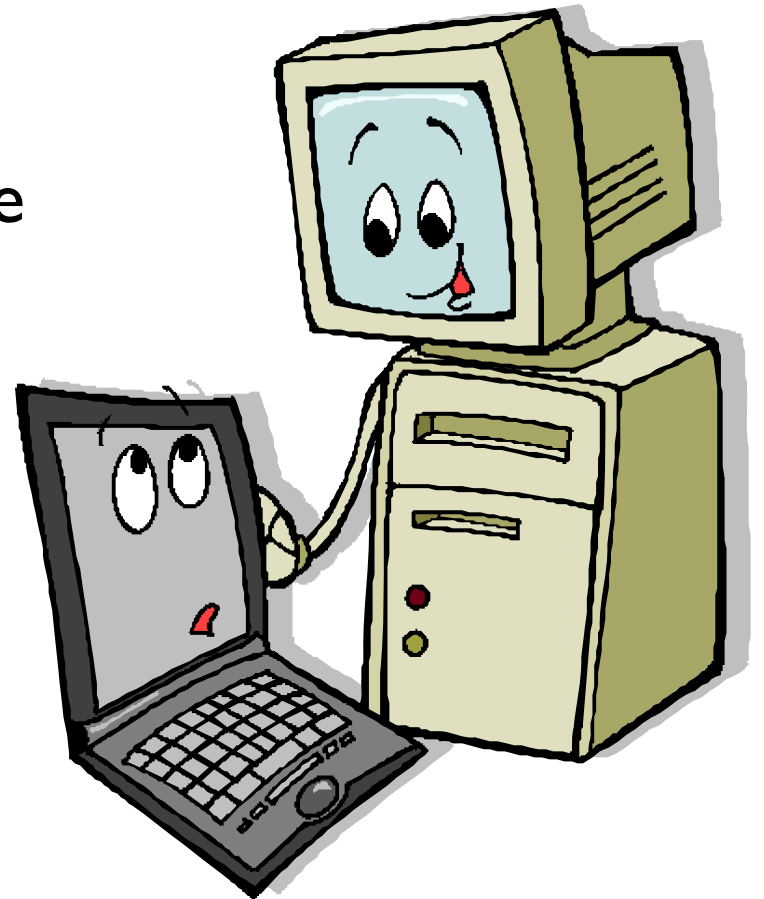
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Each month, Sponsor will submit online:

- ❑ Sponsor Claim
- ❑ Site Claim(s) - one for each site

- ❑ CNP Website

<http://www.ade.az.gov>



# Sponsor & Site Claims

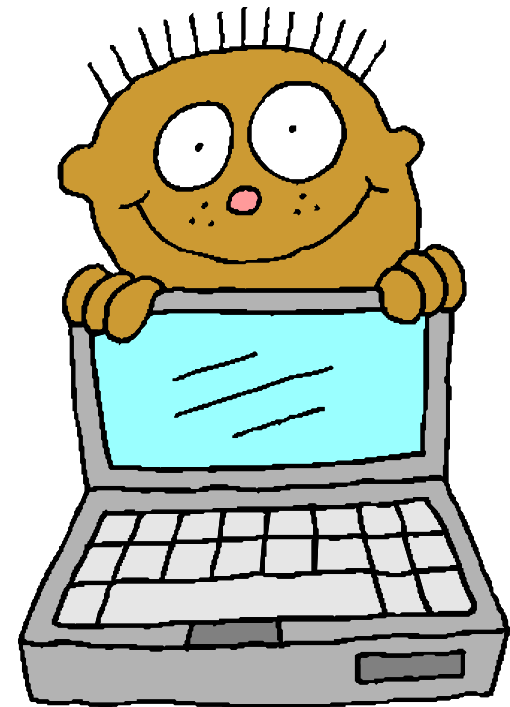
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## **Sponsor Claim – submit 1st**

- ❑ use information from:
  - Food Service Cost Report
  - Expense Worksheet

## **Site Claim – submit 2nd**

- ❑ use information from:
  - Daily Meal Count Sheet
  - Title XIX/XX documents
  - Claiming Percentage Rosters





# Site Claim - Online Submission

Participants Approved for Reduced-Price Meals:	<input type="text" value="0"/>
Participants Approved for Paid Meals:	<input type="text" value="0"/>
Participants Enrolled:	0
Participants Receiving Title XIX or XX Benefits:	<input type="text" value="0"/>
Percent of Enrolled Participants Receiving Title XIX or XX Benefits:	0
<b>Breakfast</b>	
Breakfast:	<input type="text" value="0"/>
Free Meals Served:	0
Reduced-Price Meals Served:	0
Paid Meals Served:	0
<b>Lunch</b>	
Lunch:	<input type="text" value="0"/>
Free Meals Served:	0
Reduced-Price Meals Served:	0
Paid Meals Served:	0

# Claims - Due Dates

---

- ❑ Submit online claims by the 10<sup>th</sup> of the month for the preceding month.
  - consider weekends and holidays
- ❑ Reimbursements will be received 45 days after receipt of valid claim.



# Common Errors

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- ❑ claim saved, but not submitted
- ❑ missing “number of days served”
- ❑ number of meals too high for participation
- ❑ maximum claiming



# Reimbursements

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- ❑ Each site must collect data.
- ❑ Sponsor will receive one payment for all sites.
  - Breakdown of site payments may be obtained online.

## Reimbursement Rates:

- established yearly by USDA
- effective July 1 - June 30



**CHILD AND ADULT CARE FOOD PROGRAM**  
**Per Meal Reimbursement Rates**

---

(Expressed in Dollars or Fractions Thereof)  
Effective from July 1, 2005 - June 30, 2006

<b>RATES PER MEAL SERVED IN CHILD OR ADULT DAY CARE CENTERS</b>
---

	<b><u>BREAKFAST</u></b>	<b><u>LUNCH/SUPPER</u></b>	<b><u>SNACK</u></b>
<b>PAID</b>	<b>.23</b>	<b>.22</b>	<b>.05</b>
<b>REDUCED</b>	<b>.97</b>	<b>1.92</b>	<b>.31</b>
<b>FREE</b>	<b>1.27</b>	<b>2.32</b>	<b>.63</b>

---

These rates do not include the value of commodities or cash-in-lieu of commodities which institutions receive as additional assistance for each lunch or supper served to participants under CACFP. The value of cash-in-lieu of commodities is \$0.1750.

# Cash-in-lieu of Commodities

---

- ❑ USDA Distributes agricultural commodities to Food Programs nationwide.
- ❑ ADE offers cash-in-lieu of commodities.
- ❑ Sponsors receive an additional \$0.175 per lunch & supper.





# File Maintenance

# Maintain Onsite

---

- ❑ The following should be maintained **onsite** for the current fiscal year:
  - Income Affidavits for all attending participants
  - Claiming Percentage Rosters for Free, Reduced, & Paid participants
  - All monthly records







# Maintain in Permanent Records

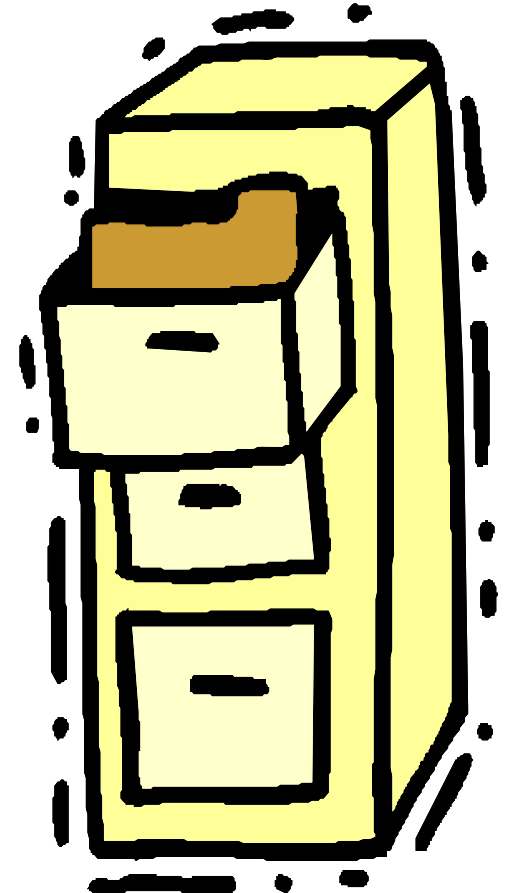
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- ❑ CACFP Administrative Review Procedures
- ❑ Permanent Agreement
  - a signed copy will be returned to you upon approval
- ❑ Application and Management Plan
  - including attachments
- ❑ Purchasing and Procurement Standards
- ❑ Civil Rights Pre-Award Compliance Review
- ❑ Racial/Ethnic Composition Table
- ❑ Copy of Food Service Vendor Contract (if catered)

# Policies & Procedures

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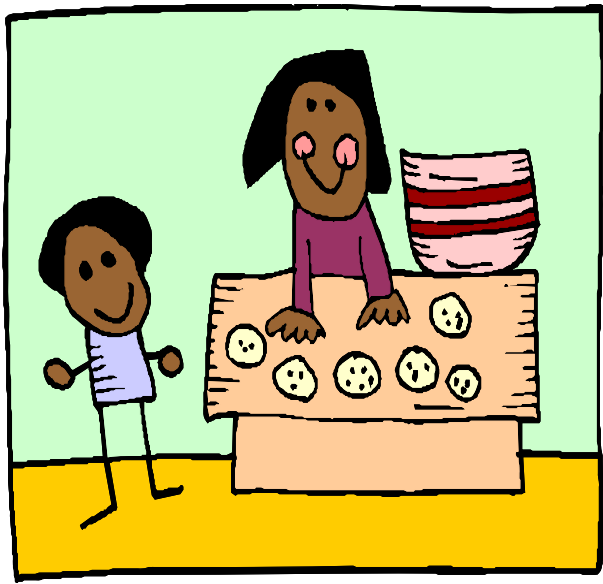
- ❑ Written policies and procedures regarding collection and maintenance of all CACFP documents.
- ❑ CACFP duties must be included in all job descriptions.
- ❑ Record retention
  - Current year must be kept onsite.
  - Previous 5 years may be archived, but must be made immediately available upon request.



# Adding a New Site

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- ❑ New site must provide copy of licensure approval.
- ❑ Conduct a pre-approval visit prior to adding the site.
  - Complete pre-approval review forms.
- ❑ Train all staff on CACFP job duties prior to participation.
- ❑ Collect income affidavits.
- ❑ Collect enrollment information.
- ❑ Complete and submit hard copy site application.
- ❑ Update and submit training plan.
- ❑ Update and submit monitoring plan.
- ❑ Complete and submit online site application.



# Meal Service Requirements

# Claimable Meals/Snacks

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Per participant, per day:

- 2 meals & 1 snack

OR

- 2 snacks & 1 meal

OR

- 3 snacks

\*Exception:

- Emergency Shelters

- 3 meals per participant, per day



# At-Risk After School Snacks

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- ❑ limited to 1 snack per child per day
- ❑ all snacks reimbursed at Free rate
- ❑ claimed only during school session
  - includes intercessions, weekends, & holidays
- ❑ If exclusively At-Risk After School Snacks...
  - meal counts taken by attendance rather than point of service
  - income affidavits are not necessary
    - ❑ determination based solely on area eligibility (F/R 50% or more) and educational/enrichment activities

# Claimable Duration of Food Service

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Meal Type	Customary Meal Times	Claimable Duration of Food Service
Breakfast	6am - 9am	1 ½ hours
AM Snack	Between Breakfast & Lunch	1 hour
Lunch	11am - 1pm	2 hours
PM Snack	Between Lunch & Snack	1 hour
Supper	5pm - 7pm	2 hours
Night Snack	After 7pm	1 hour

# Meal Times

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Must be a two hour minimum between the beginning of each meal.

Examples:

Meal Type	Meal Times Example I	Meal Times Example II	Meal Times Example III
Breakfast	7-8:30am	8-9am	6-7:30am
AM Snack	9-10am	10-10:30am	9-9:30am
Lunch	11am-1pm	12-1pm	11am-12pm
PM Snack	2-3pm	2-2:30pm	1:30-2:30pm
Supper	5-7pm	5-6:30pm	5-6pm



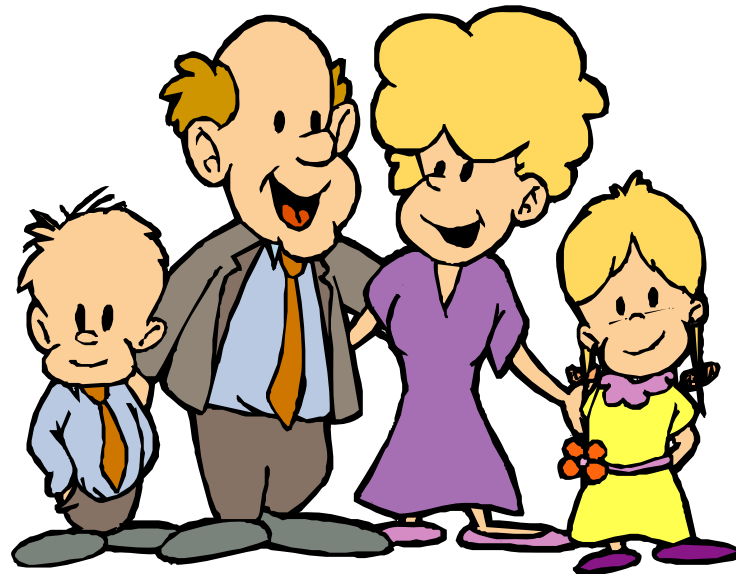


Display/Distribute  
Information

# Parental Notification

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- ❑ Centers are required to inform parents/guardians about benefits of CACFP.
  - Must include contact information for site/Sponsor and Arizona Department of Education.



# Posters

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- ❑ “And Justice for All” poster must be displayed in area visible to parents.
- ❑ Center must distribute or post additional information promoting the serving of nutritional meals meeting USDA requirements.
  - Building for the Future poster



# WIC Information

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- ❑ WIC is a supplemental nutrition program for women, infants, & children.
- ❑ All centers are **required** to distribute or post WIC information to parents of enrolled children.



# CHIP Information

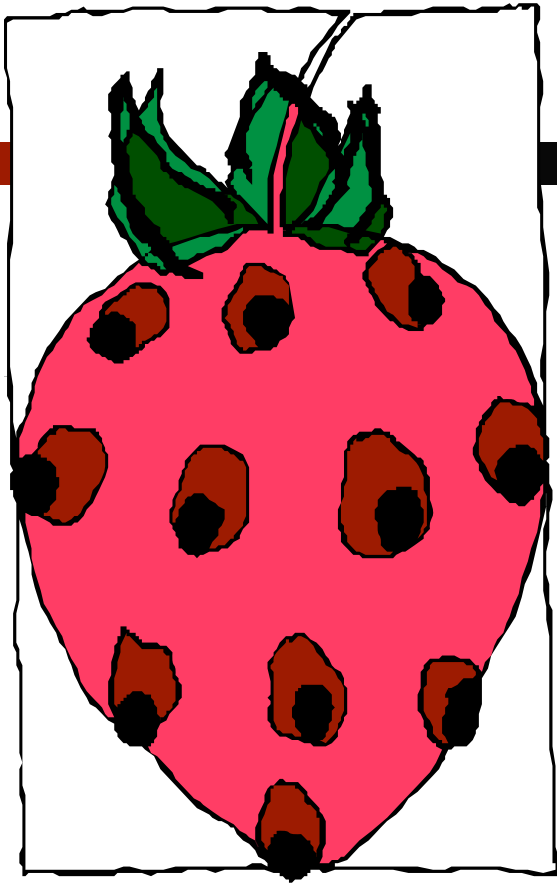
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## ❑ Children's Health Insurance Program

- KidsCare is Arizona's health insurance for children under age 19.

## ❑ Distributing CHIP information is voluntary, but highly recommended.





# ADE Review Procedures

# Welcome Visits

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- ❑ Within first 90 days of participation.
- ❑ Reviews program & provides technical assistance if needed.



# Audits

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- ❑ performed by contracted accountants
- ❑ Non-profit centers
  - \$500,000 threshold of Federal funds
- ❑ Proprietary centers
  - State establishes threshold
    - ❑ currently under review to be established at \$750,000





# Program Reviews

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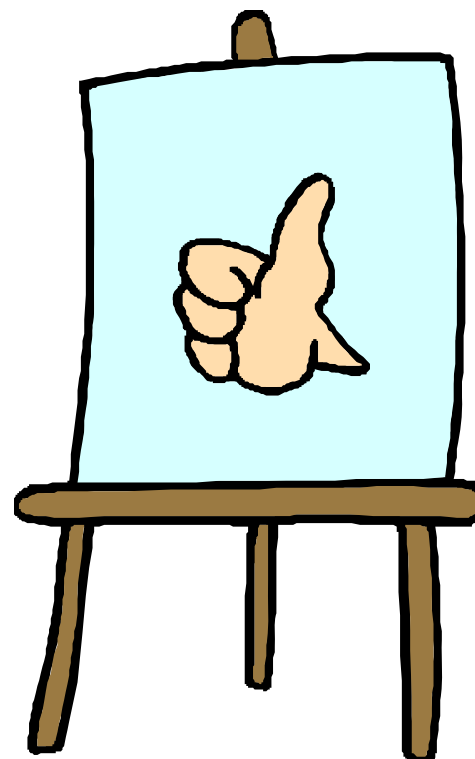
- ❑ conducted by CACFP Specialist
- ❑ no less than every **three** years (organizations with fewer than 100 facilities)
- ❑ announced or unannounced
- ❑ prepare by attending “Preparing for Your Review”
  - register online
  - <http://www.ade.az.gov/onlineregistration>

# Concluding a Review

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■ **Your CACFP Specialist will discuss with you:**

- summary of findings
- best practices
- areas of non-compliance
- necessary corrective action
- serious deficiencies



# Review Closure and Follow-up

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no problems found → review is closed

problems identified → corrective action



problems  
corrected

problems  
not corrected



review  
closed

propose  
termination





# Corrective Action

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- ❑ Explains basis of findings
- ❑ Outlines rights and responsibilities
- ❑ Provides due dates
- ❑ Explains consequences of failure to correct problem(s) by due date
- ❑ Sponsor given Review Summary & Follow-up letter

# Corrective Action

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- ❑ Corrective Action must be maintained.
- ❑ Recurrence of same problem will result in termination from CACFP.
- ❑ Administrative Review Procedures
  - Corrective Action cannot be appealed.
  - Sponsor can appeal action negatively affecting payment and/or participation.
  - Administrative Review Procedures must be filed within timelines.



# Serious Deficiency

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- ❑ Standards identified in Code of Federal Regulation, allowing States to remove institutions that cannot maintain financial viability, accountability, and management capability.
- ❑ Identified serious deficiencies must remain permanently corrected.
- ❑ ADE can propose termination if serious deficiency recurs.

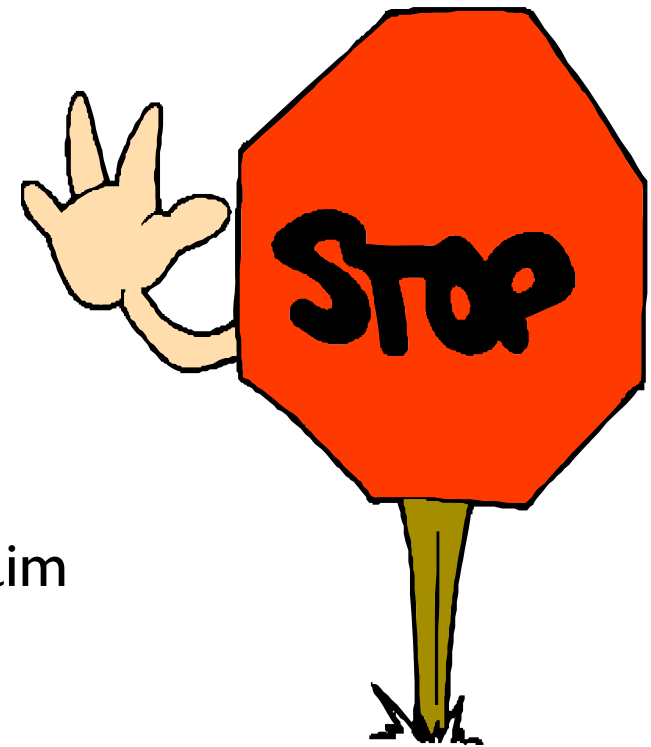
# Suspension

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“The temporary ineligibility of an institution to participate in the program, including program payments”

## Why suspend?

- Identified imminent danger
- submission of false or fraudulent claim





# National Disqualified List

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- ❑ Removal from CACFP: Who is placed on the National Disqualified List?
  - Institutions
  - Responsible Individuals
  - Responsible Principals
  
- ❑ How long can someone remain on the National Disqualified List?
  - 7 years or longer





Ensuring  
Compliance

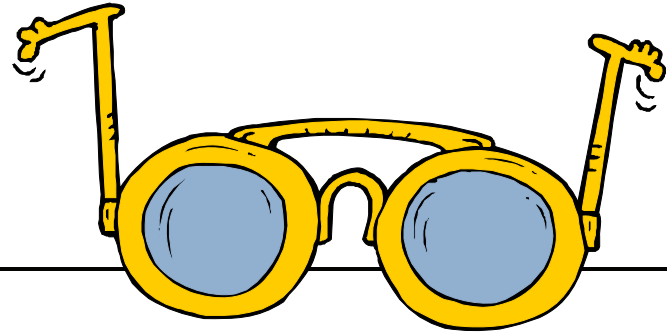
# Monitoring Requirements

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- ❑ Sponsors or owners of multiple independent centers are required to monitor each center three times/year.
  - At least 2 must be unannounced.
  - At least one unannounced review must include a meal observation.
  - At least one review made during first 4 weeks of operation
  - No more than 6 months between reviews.
  - If serious deficiency found, next visit must be unannounced.
  
- ❑ Sponsors/owners with one site:
  - Annual training optional, but strongly recommended.

# Who can monitor?

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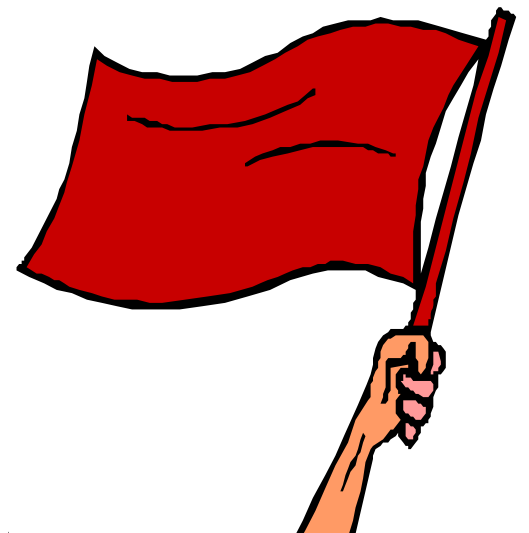


- ❑ A monitor should be someone who is NOT involved in the day-to-day operations.
  - a member of the Board or advisory group
  - a parent
  - other staff not involved in the food service operation
- ❑ Sponsors must provide site with written notice of the right for the sponsor, ADE or FNS to make unannounced or announced reviews.
  - Anyone doing the review is required to have photo ID.

# Parental Contacts

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- ❑ (Optional) system developed by ADE to enhance integrity.
  - Used by ADE staff and Sponsors with more than one site.
  - Used to support valid practices or document deficiencies and fraud.
  
- ❑ “Red Flags”
  - Handout describes issues that rise to the level of a parental contact.



# Methods for Contacting Parents

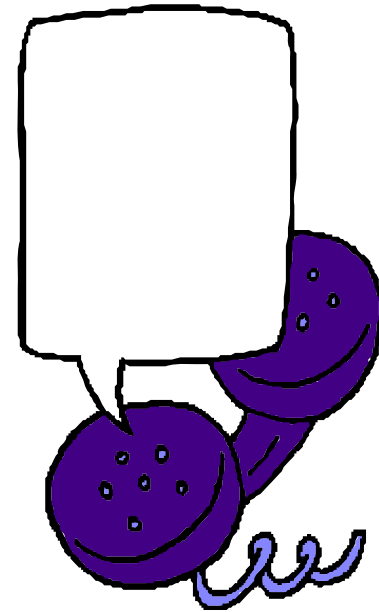
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## □ In writing

- Mailed surveys should contain self-addressed, stamped envelope.

## □ By telephone

- Complete Parent Survey Telephone Conversation Record form.





# Take Appropriate Action

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- ❑ Take appropriate action based on results of the surveys.
- ❑ A single instance of an unsuccessful parental contact should not automatically result in seriously deficient determination.

# Block Claiming

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- ❑ “A block claim is a claim... submitted by a facility on which the number of meals claimed for one or more meal type...is identical for 15 consecutive days within a claiming period.”
- ❑ Closed business days are not included in “consecutive days.”

# Legitimate Block Claims

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- ❑ Block claims can be the result of legitimate factors.
  - If legitimate, document.
- ❑ If not legitimate, evaluate.
  - Block claiming identified requires follow-up action.
  - Sponsor must conduct unannounced review within 60 days of receiving the block claim.





# 60-Day Review

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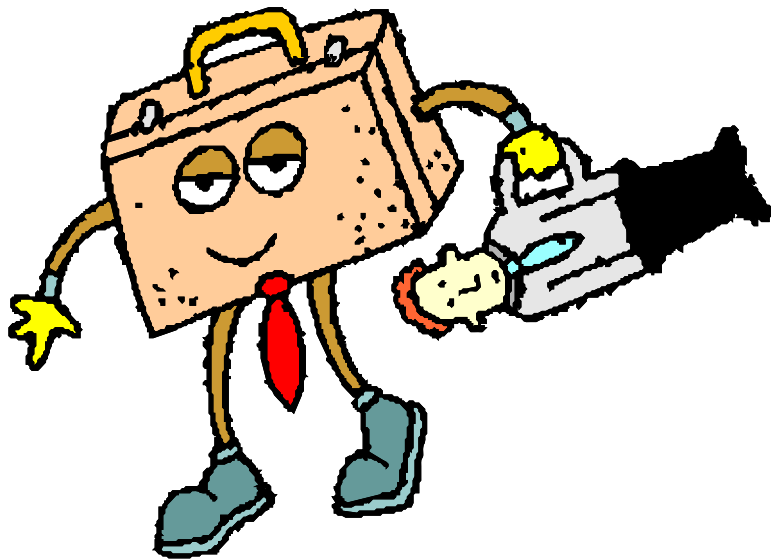
- ❑ Before the review, examine several months of claims and look for suspicious patterns.
- ❑ During the review, reconcile enrollment, attendance, and meal counts for five or more days.
- ❑ Evaluate the severity and frequency of the problem.
- ❑ Why was the inaccurate claim submitted?
  - Sponsor may need to offer additional training.



# Following Up

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- ❑ Sponsor is not required to continue with more unannounced follow-up reviews for additional block claims detected during that year.
- ❑ Interim rule 226.16(d)(4)(iv) prohibits a facility from receiving less than three reviews per year if the facility has submitted a block claim during the review year.

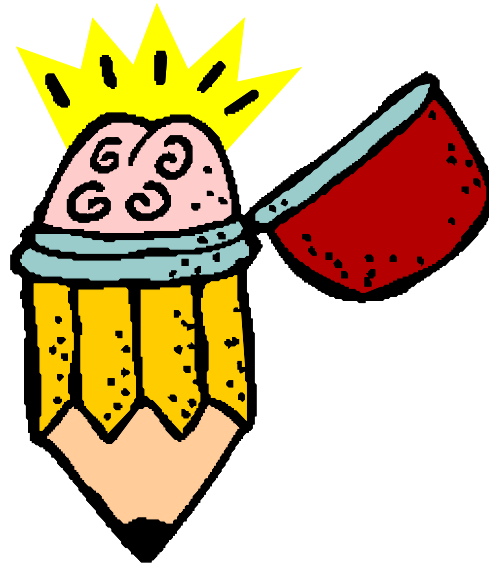


# The Application Process

# Site and Sponsor Applications

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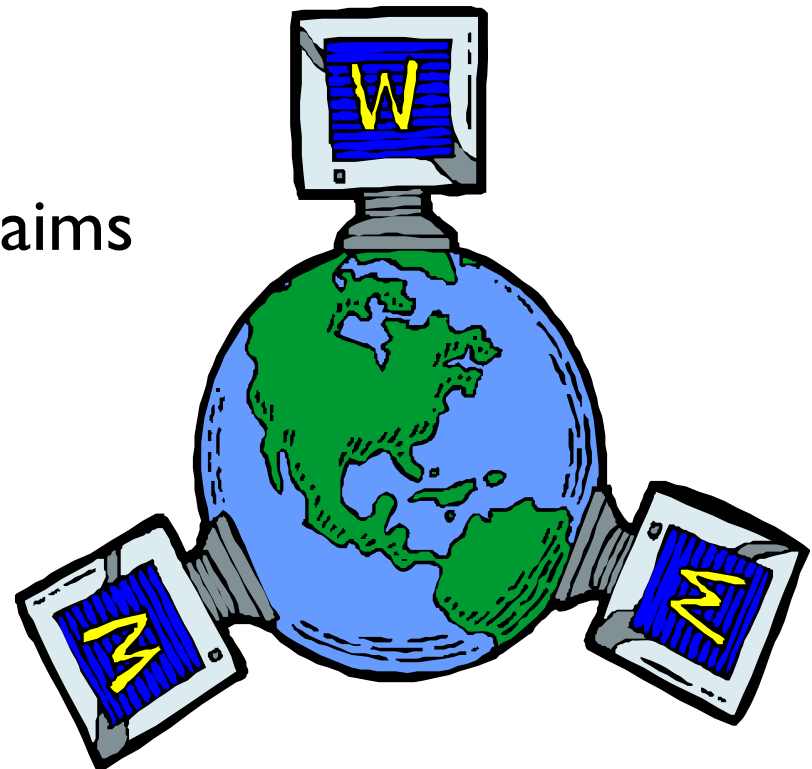
- ❑ Submit hard copy of site and sponsor applications.
  - Each site must have a separate application.
  - Hard copies will be converted to online applications by ADE.



# CNP Web

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- ❑ <http://www.ade.az.gov>
- ❑ access to Sponsor & Site applications
- ❑ access to Sponsor & Site claims





# Common Logon

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- ❑ User ID and Password
  - Acts as a signature and certification that information submitted is valid.
  - Issued only to approved authorized signers.
  - Must NOT be shared.
  - If change in employee, contact ADE to delete/add.
- ❑ To obtain, call (602) 542-8715.

# If Application Changes Occur...

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- ❑ Submit online revisions for these changes:
  - address
  - telephone number(s)
  - name change(s) or program contact
  - other changes affecting reimbursement
  - revisions to Sponsor and online site application
  
- ❑ Notify ADE for these changes:
  - adding or terminating/dropping site(s)
  - change in authorized signers
  - license/approval status
  - tax-exempt status

# Application and Management Plan

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- ❑ Must demonstrate integrity of Sponsor.
- ❑ Reflects internal controls for managing CACFP.
- ❑ Renewed every fiscal year.
- ❑ Applications will not be processed if incomplete.
  - Use instructions in application packet.







# Application and Management Plan

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## □ Section I

- Ensures that all Board Members, Executive Directors, or Directors demonstrate compliance with other affiliated federal programs.

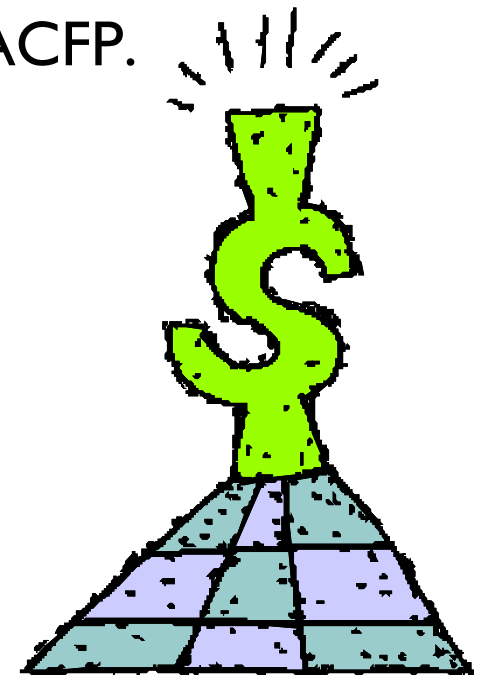
## □ Section II

- Identifies program requirements and the information that is essential to run an efficient program.

# Budgets

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- ❑ Budgets provide a measure of the adequacy and efficiency of institutional operations.
- ❑ Institutions must plan expenses within the constraints of projected annual revenue.
- ❑ Institutions must evaluate costs attributed to CACFP.
- ❑ Balance Sheet required.
  - shows nonprofit food service account





# Administrative Budget Costs

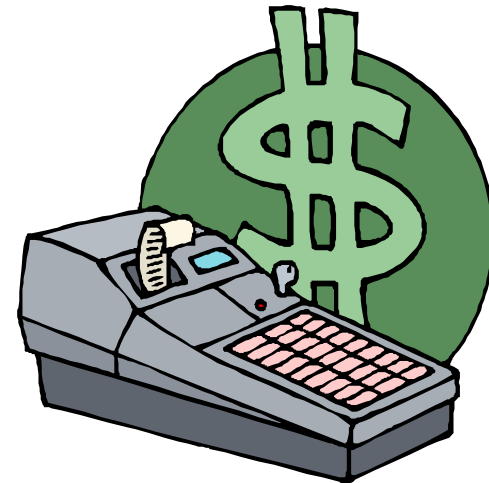
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- ❑ Cannot be assignable or included as a cost to any other Federally financed program.
  - If receiving funding for DES and CACFP, you cannot use CACFP funds to pay for DES duties.
- ❑ Cannot exceed projected revenue.
- ❑ Must be adequately documented.

# Annual Projected CACFP Expense Worksheet

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- ❑ Sponsors must provide proof of all expenses directly associated with CACFP operation.
- ❑ Sponsor budgets must be updated annually.
- ❑ Sponsor must be familiar with FNS instruction 796-2 Rev. 3 which defines allowable & unallowable costs
  - ❑ Labor Expenses
  - ❑ Facility Expenses
  - ❑ Food Service Costs



## PROJECTED ANNUAL CACFP EXPENSES

Sponsoring Organization EXAMPLE Year

### LABOR EXPENSES

A	B	C	D	E	F	G
POSITION  DUTIES	HOURS PER DAY FOR CACFP	SALARY PER HOUR	SALARY PER DAY	NUMBER OF DAYS WORKED PER YEAR	GROSS PAY (D X E)	BENEFITS
<b>TEACHER</b> point of service meal counts, supervise meals	<b>2</b>	<b>\$7</b>	<b>\$14</b>	<b>255</b>	<b>\$3,570</b>	<b>0</b>
<b>COOK</b> production worksheets, purchase food, prepare and serve food, clean-up	<b>6</b>	<b>\$9</b>	<b>\$54</b>	<b>255</b>	<b>\$13,770</b>	<b>0</b>

TOTAL: **\$17,340**      **0**

SALARIES

BENEFITS

## FACILITY EXPENSES

---

**SQUARE FOOTAGE OF CACFP SERVICE AREA ÷ TOTAL SQUARE FOOTAGE OF FACILITY  
= PERCENTAGE ATTRIBUTED TO CACFP**

$$\underline{500 \text{ Sq. Ft}} \div \underline{5,000 \text{ Sq. Ft}} = \underline{.10}$$

A	B	C	D
SERVICE	BILLED AMOUNT	PERCENTAGE ATTRIBUTED TO CACFP	TOTAL (B x C)
COMMUNICATION AND UTILITIES	<b>\$10,000</b>	<b>.10</b>	<b>\$1000</b>
RENT OR MORTGAGE	<b>\$24,000</b>	<b>.10</b>	<b>\$2400</b>
CONTRACTED SERVICES	<b>\$8,500</b>	<b>.10</b>	<b>\$850</b>

# Projected Annual Income

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- ❑ Non-CACFP Income

- Tuition, grants, Federal Assistance, DES Reimbursement

- ❑ CACFP Income

- ❑ Value of Cash/Non-Cash Donations

- ❑ Value of Excess Meals Served to Personnel

- Personnel encouraged to enjoy mealtime with participants.
- Personnel meals are not reimbursable.
- If personnel (parents, volunteers) participate in the meal service, those meals must be recorded on a monthly basis.

# Value of Excess Personnel Meals

---

- ❑ Assign a monetary value to excess meals over the 1:5 ratio.
- ❑ Multiply assigned value by excess number of meals and report total.
- ❑ Sponsors may assign a fair value that represents cost of meal or may use the USDA Reimbursement rate for Free Meals.
- ❑ To determine the ratio:
  - Divide total number of each meal type served to participants by 5.

Example:

Lunch served 1000 participants

$$1000 \div 5 = 200$$

You may serve 200 adult meals without reporting a value



# Purchasing & Procurement Standards

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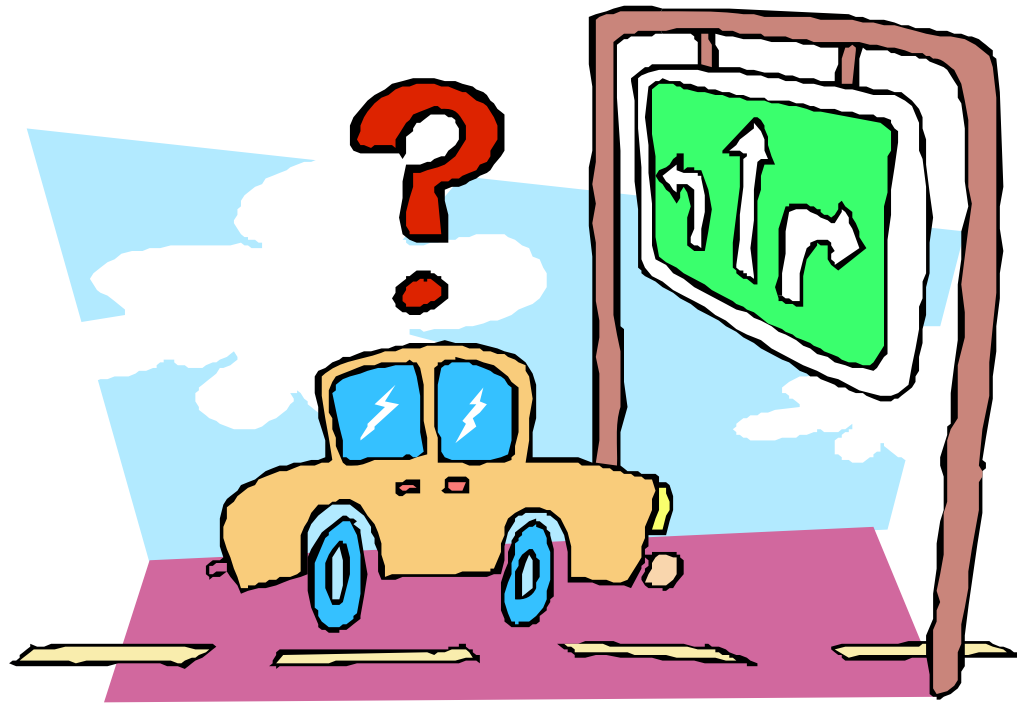
**All CACFP Organizations in Arizona must follow these purchasing thresholds:**

\$0 - 4,999	- Use price comparison
\$5,000 - 14,999	- Verbal price quotes from 3 or more vendors
\$15,000 - 32,700	- Written price quotes from 3 or more vendors
\$32,700 +	- Competitive sealed bidding (RFP, IFB) (Request For Proposals, Invitation For Bids)

Limits are for a single good or service during a program year.

# Questions?

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# Program Specialists

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## **Phoenix**

Kenny Barnes (602) 364-1070

Caredy Cochran (602) 542-8716

Jen Leftwich (602) 364-0161

Mandy McNeely (602) 542-1970

Tracey Nissen (602) 542-1550

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## **Tucson**

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